

Sound Notes and Bonds Yielding 4.90% to 6%

NOTES
Pacific Lt. & Power Corp.
Coll. Trust Co., 1917... 4.90%

United Lt. & Railways Co.
6's, 1920.... 5.62%

BONDS

San Joaquin Lt. & Pr. Corp.
1st & Refd. 6's, 1950... 5.87%

Amer. Public Service Co.
1st Lien 6's, 1942.... 5.93%

Arkansas Water Co.
1st 6's, 1940.... 6.00%

Particulars upon request

for Circular AD-15

N.W. Halsey & Co.
49 Wall Street, New York

Plaats re: Boston Chicago San Francisco
Baltimore Cleveland

FINANCIAL REVIEW OF THE PAST WEEK

Stocks Move Into a More Interesting Relation to Conditions.

DEALINGS PROFESSIONAL

Signs of constructive activity in the stock market have become more pronounced in the past fortnight and suggest that the dealings in the share list and the course of quoted values may now from time to time establish a closer relation with external factors than has obtained up to date. In fact, the Stock Exchange was encaged with the technical troubles resulting from the state of congestion left by the speculative excesses committed last autumn.

In the upswing which has taken place this week the average quotation of representative stocks has been carried to the highest level since the latter part of January. In the meantime the volume of dealing has expanded materially over the scale of the early spring. The daily comment has been made that advancing activity has brought supplies of stock to the market, but both animal and advanced stocks have generally well maintained. These features of recent Stock Exchange sessions are circumstantial proofs that new endeavor has been engaged on the constructive side. Nor does it mean much when Wall Street says, as it has been saying repeatedly of late, that professional operations obviously account for the bulk of the dealings.

Initiative is Professional.

All initiative in stocks is of professional origin, usually even ultra speculative. Sometimes, quite frequently indeed, it ends there. Such may be the case this time but, if professional effort customarily deserves credit, for it expresses a highly expert consciousness. Accordingly it is worth noting the professional judgment which the stock market may be passing on the factors of value and prospects for securities in the light of the external situation which is compounded of economic and political values.

Incidentally the country's foreign trade continues to add its evidence of the country's ability to take back its surplus in the way of merchandise exports. And foreign trade was maintained practically at the maximum reached in March and yielded a favorable balance of more than \$186,500,000. This swelled the total excess of exports for ten months to about \$1,629,000,000, or almost twice the trade balance in the previous year. The foreign exchange market, though contractary, with its increasing conferences between representatives of the unions and the railway management, has undoubtedly operated again excessively confident purchases of railway shares, but expectation will probably not go far wrong if it anticipates a termination of this dispute with our serious trouble.

Negative Aspects Studied Too.

Wall Street has also been asking itself not only concerning the positive possibilities of the share list, but has been inquiring concerning the negative aspects of the stock market. It is not necessary toward the end of last month to answer the question why all things considered the securities representing important entities should sell lower when they were already quoted at yield levels which, while not unusual, were far from being record prices. There are now less reasons. Returns to the owners and managers of enterprise have been increased by larger dividends, but the margin of undistributed earnings is of comparative proportions.

When there is no money-making situation the conjectural line of least resistance for the stock market is in the direction of improvement. The financial conditions gauged by the status of the banking community do not militate against stock market improvement. Conservative persons are less inclined to regard the credit capacity of the banks as something not to be exploited recklessly, but, undue emphasis seems to have been laid upon the expansion of bank loans and the reduction of surpluses.

Comparisons Misleading.

It has become fashionable to make comparisons, either to the reserve of the banks under the revised laws and the reserves which would be shown if the former laws applied, but such comparisons are misleading. Some reserves are not a statutory lowering of reserves required to be held when the Federal reserve act. The reserve basis of banking is sounder and stronger in every way today, with smaller percentages of required reserves, than it was before 1914.

But the practice for stocks has not been up to business and banking standards has long been manifested. Particularly has this been true of the rails and so-called standard industrials. Wall Street has accounted for this disparity as owing to two causes: one the chance that the war might end without involving the sudden necessity of accomplishing a considerable readjustment. It is now believed that the hazard of a loss of control of status has all but passed, and the belligerency must qualify all reckoning of the war's cost when the war lasts. How long the war will last is a question that has a much more lively interest for men of affairs, and Wall Street has duly observed the energy with which the peace propaganda of German civilization is being prosecuted and how much support it is enlisted in.

A worldwide discussion of peace prospects in Europe has begun. All the belligerent nations are talking about it, even though many or most of them are talking against it. When there is so much agitation of the question of peace, the war's cost to the loser is at least imaginable. Nevertheless, the greatest facts are that only the most remote approaches to a settlement of the war by negotiation seem to have been made, if any have been made at all. The tale of war contracts in this country continues to mount, and the outlook is still dark with the deepest uncertainty. The financial district sees it in the field of vision, but not so discernible as to compel an immediate discounting.

Anything but Apprehensive.

Moreover, as to the effect of peace, the present inclination of trade and industry to move into arrangements in commercial and investment markets with a temporary regarding of business activity, while prices are being readjusted, the expectation of renewed expansion to follow the return of peace is regarded as likely to carry business engagements forward satisfactorily. The returns of the questionnaire recently addressed to a thousand business men all over the country by a Wall Street banking house disclosed a prevailing conviction that the business consequences of peace are anything but apprehensively contemplated. For that matter the first effect of the war's ending may be witnessed in the form of a general relaxation of business conditions. The question is whether the imagination should fail to have warrant for stock market persistence. Considering the course of quoted values, which are moving strongly toward the end of last year in anticipation of the highly profitable activity into which general business has expanded. When a great deal of money is being made and lost by business, by employees and by employers, when the banking position is comfortable, what is called a bull market in stocks does not ordinarily long run counter to external conditions. This may be the case, while the expansion of general business has proceeded.

Under such circumstances it is not surprising that the speculative imagination should fail to have warrant for stock market persistence. Considering the course of quoted values, which are moving strongly toward the end of last year in anticipation of the highly profitable activity into which general business has expanded. When a great deal of money is being made and lost by business, by employees and by employers, when the banking position is comfortable, what is called a bull market in stocks does not ordinarily long run counter to external conditions. This may be the case, while the expansion of general business has proceeded.

In the meantime a clear comprehension of certain adverse matters has been achieved, not only respecting the country's probability of sustained neutrality in the war but in relation to all the im-

TRANSACTIONS FOR THE WEEK.

Railroad and Other Shares.

The following table gives, in addition to the sales for the past week and range of stocks on the New York Stock Exchange, their dividend yields calculated on the closing sale or bid prices on Friday night:

Week ended May 27, 1916.

Div.	Stocks	Sales, High, Low, Closing, Change	Highest	Lowest
Louis Wiles 1 pf.		9016 Mar 16 1916	9016 Mar 16 1916	9016 Mar 16 1916
Louis Wiles 2 pf.		25 Mar 22 1916	25 Mar 22 1916	25 Mar 22 1916
6.31 Lorillard Tob.	69 220	220 220 + 9	220 + 9	220 + 9
6.00 Lorillard Tob. pf.	209 119	119 119 - 12	119 - 12	119 - 12
3.97 Louis & Nash.	150 113	129 129 - 131 + 2	131 + 2	129 - 131
5.97 Mackay Cos.	858 845	845 845 - 14	845 - 14	845 - 14
5.88 Mackay Cos. pf.	681 684	684 684 + 38	684 + 38	684 + 38
5.42 Manhattan.	709 1208	1208 1208 - 12	1208 - 12	1208 - 12
— Manhattan Shirt.	60 674	674 Feb 1 55	674 Feb 1 55	674 Feb 1 55
— Manhattan Shirt pf.	60 674	674 May 16 118	674 May 16 118	674 May 16 118
6.36 Marine	3180	2508 248 + 26	2508 248 + 26	2508 248 + 26
— Marine pf. ct.	10200	9784 982 + 14	982 + 14	9784 + 14
Maxwell Motor.	2710	8848 8848 + 86	8848 + 86	8848 + 86
5.78 Maxwell M 1 pf.	8399	9182 90 + 2	9182 + 2	90 + 2
— Maxwell M 2 pf.	8105	568 568 + 14	568 + 14	568 + 14
2.98 May Dept Stores.	1665	8985 8985 + 1	8985 + 1	8985 + 1
5.64 May Dept Stores pf.	1560	10942 10942 + 10	10942 + 10	10942 + 10
— May Dept Stores pf.	1560	12100 Mar 22 1916	12100 Mar 22 1916	12100 Mar 22 1916
6.82 Mex Petroleum	1380	2825 2825 + 24	2825 + 24	2825 + 24
16.67 Miami Copper.	7853	3106 3106 + 38	3106 + 38	3106 + 38
— Miami & St. L pf.	100 676	676 May 1 4	676 May 1 4	676 May 1 4
— Miami & St. L pf.	100 676	676 May 1 4	676 May 1 4	676 May 1 4
5.78 M P S 8 M.	893	9182 90 + 2	9182 + 2	90 + 2
— M P S 8 M pf.	805	568 568 + 14	568 + 14	568 + 14
6.41 MPBPAE M Ltd L.				
— Mo Kan & Tex.	3950	4162 4162 + 44	4162 + 44	4162 + 44
— Mo Kan & Tex. pf.	100 642	642 Mar 12 1916	642 Mar 12 1916	642 Mar 12 1916
— Mo Pacific.	8050	7092 7092 + 38	7092 + 38	7092 + 38
Moline Plow 1st pf.	800	614 614 + 14	614 + 14	614 + 14
— Montana Power.	3330	8072 7970 7982 + 16	8072 + 16	7970 + 16
— Montana Pow. pf.	29115	11312 11312 11312 + 3	11312 + 3	11312 + 3
Morris & Essex				
5.82 National Biscuit.	890	12112 12112 12112 + 16	12112 + 16	12112 + 16
— National Biscuit pf.	890	12150 Mar 22 1916	12150 Mar 22 1916	12150 Mar 22 1916
5.61 Nat Cloud & Suit.	1600	7738 7738 + 38	7738 + 38	7738 + 38
5.62 Nat Cloud & Suit pf.	1800	10784 10784 10784 + 18	10784 + 18	10784 + 18
5.67 National Lead.	1803	6788 6788 + 38	6788 + 38	6788 + 38
— Nat E & S.	1039	224 224 + 231a	224 + 231a	224 + 231a
— Nat E & S. pf.	1039	224 224 + 231a	224 + 231a	224 + 231a
— Nat Ry Mex 1 pf.				
— Nat Ry Mex 2 pf.	2360	734 734 + 38	734 + 38	734 + 38
8.39 New Consol.	5930	1846 1792 1792 + 16	1846 + 16	1792 + 16
— NY Auto Brake.	6100	13102 13102 13102 + 38	13102 + 38	13102 + 38
4.74 NY C & G.	1200	2102 2102 + 16	2102 + 16	2102 + 16
— NY C & G. pf.	890	4186 4042 4042 + 16	4186 + 16	4042 + 16
6.25 NY Chasillat pf.	195	6114 6114 + 14	6114 + 14	6114 + 14
— NY Deck.				
— NY N.H. & H.	1820	6312 6302 6302 + 68	6302 + 68	6302 + 68
— NY Out of West.	1800	2824 2724 + 38	2824 + 38	2724 + 38
— Norfolk South.	1000	2024 2024 + 38	2024 + 38	2024 + 38
— Norfolk & West.	1200	1258 1258 + 25	1258 + 25	1258 + 25
— Northern Am. Co.	660	896 896 + 38	896 + 38	896 + 38
— Northern Ohio.	1820	11312 11312 11312 + 16	11312 + 16	11312 + 16
— Old Dominion.				
— Ontario Silver.	2200	912 898 - 26	912 - 26	898 - 26
— Pabst Brewing pf.				
— Pacific Coast.				
— Pacific Mail.	605	24 24 + 14	24 + 14	24 + 14
— Pacific Tel & Tel.	330	334 334 + 14	334 + 14	334 + 14
— Pacific Tel & Tel pf.	330	334 334 + 14	334 + 14	334 + 14
— Peoples Gas.	500	101016 10204 10204 + 1	101016 + 1	10204 + 1
7.63 Peoria & Eastern.	800	1112 1112 + 14	1112 + 14	1112 + 14
— Petethylene Mulkin p.				
— Pitts C & St. L.	1000	8212 8212 + 16	8212 + 16	8212 + 16
— Pitts C & St. L pf.	100	95 95 + 3	95 + 3	95 + 3
— Pitts C & St. L pf.	100	2812 27 27 + 14	27 + 14	27 + 14
— Pitts C & St. L pf.	100	2812 27 27 + 14	27 + 14	27 + 14
— Pitts C & St. L pf.	100	2812 27 27 + 14	27 + 14	27 + 14
— Pitts C & St. L pf				